

CITY OF NEWPORT
RESOLUTION NO. 3733

A RESOLUTION SUSPENDING INFLATIONARY ADJUSTMENTS
TO SYSTEM DEVELOPMENT CHARGES RATES

Findings:

1. The City of Newport adopted Resolution No. 3579 (as amended by Resolution No. 3597) adopting a System Development Charge methodology and rates.
2. Section 3 of Resolution No. 3579 provides that System Development Charge rates shall be adjusted annually based upon the most recent Construction Cost Index published in the Engineering News Record as of November 1 of each year.
3. System Development Charge rates were last amended with Resolution No. 3699, effective January 1, 2015.
4. Inflationary adjustments are made to System Development Charge rates in order to account for changes in construction costs so that, over time, the revenue generated is adequate to finance eligible public infrastructure projects that are needed to support new development.
5. Lists of eligible public infrastructure projects that the City of Newport funds with revenues received through the collection of System Development Charges were developed with the System Development Charge methodology in September of 2007, and the cost of those projects is a significant factor in setting System Development Charge rates.
6. City of Newport has budgeted \$25,000 of System Development Charge funds to pay for a comprehensive update to its System Development Charge methodology.
7. Work on the methodology is dependent upon efforts that the City of Newport is undertaking to update its storm water and sewer capital facility plans, which are two of the five categories of public infrastructure projects funded with System Development Charges. Those facility plans are being developed, and lists and cost estimates of System Development Charge eligible projects for each of these categories are expected to be available by mid-January of 2016.
8. Since the City of Newport is in the process of undertaking a comprehensive update to its System Development Charge methodology it is appropriate to suspend rate adjustments required by Resolution No. 3579 because the list of eligible projects for which those funds are being collected is likely to change in a significant way.
9. Given how development of the storm water and sewer capital facility plans is progressing, it is reasonable to expect that updates to the System Development Charge methodology will be completed prior to the end of calendar year 2016.

10. Suspending rate adjustments required by Resolution No. 3579 is preferable to repealing Resolution No. 3579 outright because such adjustments are envisioned in the City's existing System Development Charge Methodology. A one year suspension of the rate adjustments should be sufficient to allow an updated methodology and rate structure to be developed and, if ultimately adopted, Resolution No. 3579 and the existing System Development Charge methodology would be repealed.

Based on these findings,

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

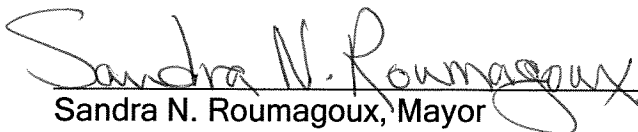
Section 1. The annual adjustment to System Development Charge rates required by Resolution No. 3579, using the Construction Cost Index published in the Engineering News Record as of November 1, 2015 with an effective date of January 1, 2016 is hereby suspended.

Section 2. System Development Charge rates last amended with Resolution No. 3699, and reflected in the Comprehensive Fee schedule adopted with Resolution No. 3715, shall remain in effect.

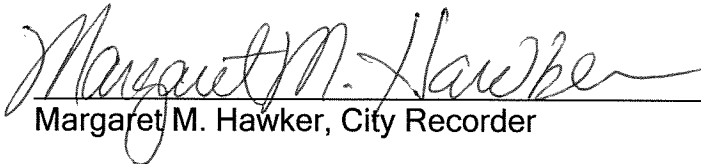
Section 3. This resolution is effective immediately upon adoption and shall remain in effect until December 1, 2016.

Adopted by the Newport City Council on December 7, 2015.

Signed on December 8, 2015.


Sandra N. Roumagoux, Mayor

ATTEST:


Margaret M. Hawker, City Recorder

Approved as to Form


City Attorney